

Greater Memphis TENNESSEE

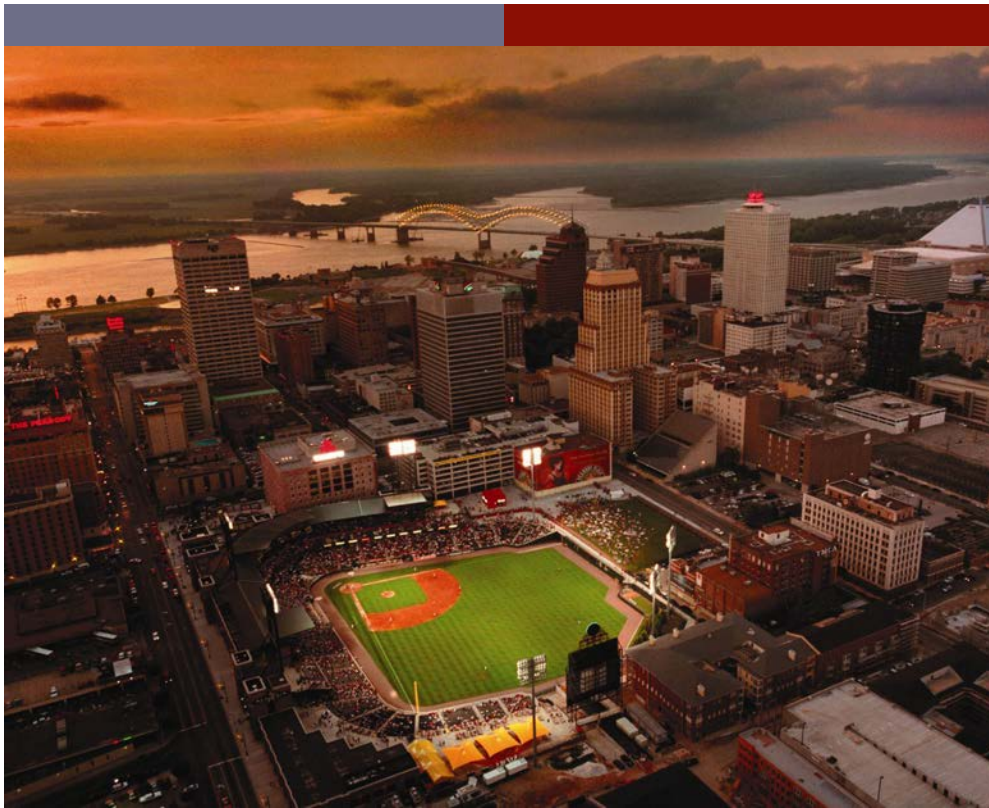
REGIONAL STRATEGIC PLAN



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Greater Memphis Region



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*Fayette, Lauderdale, Shelby,
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EXECUTIVE SUMMARY

Gov. Bill Haslam's top priority is making Tennessee the No. 1 location in the Southeast for high-quality jobs. In April 2011, Governor Haslam released his Jobs4TN plan, which laid out four key strategies for achieving this ambitious goal: (1) prioritizing business development efforts in six key clusters in which the state has a competitive advantage; (2) reducing business regulation; (3) investing in innovation; and 4) establishing regional "jobs base camps" in each of nine regions across the state. One of those nine regions is the Greater Memphis Region (GMR).

Between June and August 2011, ECD's regional staff embarked on an extensive outreach effort to the region's key economic development stakeholders that included a variety of one-on-one and group meetings. In addition, ECD's regional staff collected every available strategic plan in the region and began assessing the composition and goals of

each. Areas of overlap were identified in order to develop a matrix of economic development strategies in the region. The regional economic development strategy contained in the following pages was heavily informed by the information gathered from these various sources.

Home to the world's busiest cargo airport, the second largest inland port on the Mississippi River, the nation's third busiest trucking corridor and the nation's third largest rail center, the Greater Memphis Region is truly America's Crossroads to Commerce. Comprised of four rapidly growing counties, the region offers a wide array of economic development assets. With a population of 1.1 million, the region includes four of the largest 25 cities in Tennessee and boasts numerous world-class research institutions, cultural and creative events, and recreational activities. As a result, the Greater Memphis Region has become a highly sought after recreational and

commercial destination.

All of the region's economic development partners are working together to identify and recruit new businesses to the region. ECD's regional staff will work with its local partners to identify potential sites and develop incentive packages for prospective companies. Regional partners will also work together to develop a recruitment database to provide companies with easy-to-access demographic data as well as develop targeted marketing materials for site selection consultants and potential prospects.

The region will focus its recruitment efforts on several key sectors including: logistics; healthcare and biosciences; advanced manufacturing; renewable energy technologies; and tourism. Segmentation within these sectors will occur based on whether a specific operation is a manufacturer, warehouse

and distribution center, call or data center, research and development facility or corporate headquarters.

ECD's regional staff will also work with its local economic development partners to organize visits to the region's largest existing employers. The goal of these visits will be to form strategic relationships with companies so that continual communication can occur between local economic development organizations and the proper contact at each company. These existing business visits will become "one-stop-shops" where companies can simultaneously hear about all the federal, state and local programs and incentives for which companies might be eligible. These visits should also identify opportunities to assist existing companies with expansions as well as identify companies that are at risk of closing or moving to another region.

The Greater Memphis Region also has a robust innovation and entrepreneurship infrastructure. At present, there are more than 20 innovation and entrepreneurship organizations in the region that together have accounted for over 12,000 new jobs and \$3.1 billion of new capital investment over the past four years. Efforts to identify and leverage synergies between these various organizations are being organized in Memphis by the Shelby County Growth Alliance and the Memphis Research Consortium, a \$10 million consortium being funded by the state. In addition, several Memphis-based entrepreneurial organizations have expressed interest in expanding their reach into the broader region.

The region also recognizes that workforce development is critical to remaining competitive in today's global economy. Based on findings from its existing industry visits, ECD's regional staff will work to identify opportunities for higher education institutions and other workforce development agencies to meet the workforce needs of existing employers.

REGIONAL OVERVIEW

As the world's busiest cargo airport, the second largest inland port on the Mississippi River, the nation's third busiest trucking corridor and the country's third largest rail center, the Greater Memphis Region is truly America's Crossroads to Commerce. Comprised of four rapidly growing counties, the region offers a wide array of economic development assets. With a population of 1.1 million, the region includes four of the largest 25 cities in Tennessee and boasts numerous world-class research institutions, cultural and creative events, and recreational activities. The region is also home to the corporate headquarters of Federal Express, Autozone, AOC, International Paper, ServiceMaster, and Pinnacle Airlines as well as research and manufacturing facilities for large medical device companies including Medtronic, Smith & Nephew, and Wright Medical.

The Memphis area has strong civic leadership and is addressing some of its most critical issues. The historically more rural counties surrounding Memphis are also starting to grow rapidly and have the ability to take advantage of Memphis' growth while at the same time maintaining their very high quality of life. Details on each of the counties in the region are below.

Fayette County: Located 30 minutes east of downtown Memphis, Fayette County has a strong agricultural heritage as well as a rapidly growing industrial, distribution and residential base. With a population of 38,413, the county will soon be home to Norfolk Southern's largest and most sophisticated intermodal center and has available industrial and corporate sites with great proximity to major interstates (I-40, I-55, I-269) and railways. The county's largest employers include Medegen Medical Products, Kellogg, Troxel, AOC, and Memphis Contract Packaging.

Lauderdale County: Located along the Mississippi River with a population of 27,815 and employers such as Marvin Windows & Doors, Komatsu and newly located Quaprotek, Lauderdale is recognized as an emerging location for multiple industrial sectors. The county currently contains five certified industrial sites that have existing infrastructure and ready access to transportation and logistics hubs. With increased participation in the West Star Leadership program, Delta Leadership Institute and Leadership Lauderdale, the county is systematically developing a group of leaders who can help the county succeed and grow

well into the future.

Shelby County: Historically known as "America's Distribution Center", Memphis is now also known worldwide as "America's Aerotropolis" and a global hub for FedEx. According to the 2010 census, Memphis is the 20th largest city in the U.S. and the largest city in Tennessee, ranking it larger than Atlanta, Boston, Denver, St. Louis and Washington DC. The Memphis metro economy (as measured by gross metro product) is larger than the economy of 12 states and is ranked 44th out of 366 metro areas in the United States. Memphis is home to three Fortune 500 headquarters (FedEx, AutoZone, and International Paper) and was named in 2010 by *Site Selection* magazine as one of the Top 10 Metro Area's for site relocation in the nation and by *Inc.* magazine as one of the "Best Places to do Business in America."

Tipton County: Located just north of Shelby County, Tipton County boast three major industrial parks that are home to companies such as Unilever, Charms Company Delfield and Mueller. The county, which has over 61,000 residents, also has additional certified industrial sites and is conveniently located to leverage all of Shelby County's assets as well as the eventual growth of the West Tennessee Megasite in Haywood County.

GREATER MEMPHIS *AT A GLANCE*

	Population 2010	Median Age 2005-2009	HS Graduate or Higher % Population aged 25+	Bachelor's or Higher % Population aged 25+	Labor Force (Oct. 2011)	Available Labor (Oct. 2011)	Unemployment Rate (Oct. 2011)	Average Private Sector Annual Income (2010)	Nearest Public Riverport (in miles from county seat)	Nearest Commercial Airport (in miles from county seat)	Nearest Interstate (in miles from county seat)
GREATER MEMPHIS	1,054,953	34.5	84.1%	25.9%	502,320	57,780	10.3%	\$45,565	Memphis and Caruthersville	Memphis International	I-40 and I-155
Fayette	38,413	39.9	80.3%	17.8%	19,120	2,950	14.1%	\$37,539	Memphis - 49 miles	Memphis International - 50 miles	Direct access to I-40
Lauderdale	27,815	36.1	71.8%	8.7%	10,020	1,480	13.3%	\$31,157	Caruthersville - 47 miles	Memphis International - 64 miles	24 miles to access I-40, 26 miles to access I-155
Shelby	927,644	34.1	84.7%	27.5%	444,480	50,120	10.1%	\$47,315	Memphis - 0 miles	Memphis International - 12 miles	Direct access to I-40 & I-55
Tipton	61,081	36.3	82.6%	14.1%	28,700	3,230	10.1%	\$30,601	Memphis - 38 miles	Memphis International - 49 miles	20 miles to access I-40

Source: U.S. Census Bureau, US Bureau of Labor Statistics, Tennessee Department of Labor and Workforce Development

REGIONAL STRATEGIES

Recruitment

The Greater Memphis Region possesses inherent attributes that have historically been attractive to businesses conducting site due diligence. With Memphis as the region's natural anchor, the region is known world-wide as America's Distribution Center due to its extensive transportation and logistics infrastructure. Located on the Mississippi River, Memphis is home to five major U.S. inter-states, the fourth largest inland port in the United States, and the nation's third busiest trucking corridor and third largest rail center. Memphis International Airport, home to one of FedEx's Super Hubs, has been the world's busiest cargo airport for the past 19 years. FedEx's presence at the airport ensures that any company located in the region can ship their goods to any point on the globe overnight.

In order to ensure the region maintains its preeminent position as a leading distribution hub, there has been considerable capital investment in the region's infrastructure. For example, Memphis International Airport has recently undergone over \$1 billion in modernization improvements and the five Class I railroads in the region have invested over \$500 million in new or expanded rail systems. With the anticipated expansion of the Panama Canal, more river traffic will be accommodated by the Port of Memphis. The eventual completion of the Canada to Mexico Superhighway, I-69, will make Memphis the centermost point of road shipping in North America. Also, the construction of I-22 from Memphis to Birmingham is nearly complete, providing yet another direct connection to major East Coast markets. Meanwhile, plans call for the city to gain a third bridge across the Mississippi that will accommodate both road and rail.

ECD's regional staff and its partners will leverage this robust transportation, logistics and distribution infrastructure as well as the region's many other competitive advantages using several strategies:

Market Targeted Sectors: Since the Greater Memphis Region is recognized as one of the top 15 metro areas in the United States for European-based expansions, the region will specifically target the European market. In addition, the region will leverage its inherent advantages to pursue several key industries including: biosciences and medical devices; logistics and distribution; advanced manufacturing; corporate headquarters and back offices; food processing;

alternative energy; and music, film, and tourism. ECD will also work to support the Greater Memphis Regional Chamber's Red Carpet Tour events that are annually held for site selection consultants. ECD's regional staff will also host strategic partnering meetings with civil engineering, corporate commercial real estate and architectural firms to identify proactive deliverables on industry recruitment efforts.

Support Regional Marketing Efforts: ECD's regional staff will work with its local economic development partners to develop and implement a targeted marketing campaign for the region. This will include everything from partnering with FedEx and other corporations to promote Memphis' global hub strategy to the newly launched ECD rural initiative that is focused on developing digital factories and call centers in more rural counties. ECD's regional staff will also explore leveraging ECD's rural strategies into urban areas experiencing high levels of unemployment. ECD will place particular emphasis on marketing urban market opportunities to these key sectors.

Existing Business Outreach

One of the primary strategies of the Jobs4TN plan is to focus on existing industries, which represent nearly 86 percent of all new jobs created in the State of Tennessee since 2008. The Greater Memphis Region is home to some of the most recognizable brands and companies in the world. Partnering with local economic development organizations, ECD's regional staff will systematically reach out to the region's largest employers to see if there are opportunities to help them expand and remain competitive in today's global economy. By meeting with nearly 60 companies a month, ECD's regional team will be able to provide meaningful support to the region's existing industries. ECD's regional staff will specifically pursue several key strategies:

Coordinate "One-Stop-Shop" Visits: ECD's regional staff will work with TVA, local utility providers, and local chambers of commerce to coordinate visits to existing commercial and industrial customers in the region. By having multiple partners participate in these visits, companies will be able to have a "one-stop-shop" for understanding all of the services and resources offered by the various economic development organizations in the region.

Organize Supplier Fairs: ECD's regional team will work with

some of the largest and newest employers in the region to hold supplier fairs. These events will provide an opportunity for large employers to identify suppliers who might be able to provide services or products to the large employer. This initiative will initially focus on some of the region's recent large relocation projects in order to fully leverage these companies' supply chain networks. These supplier fairs will be held in partnership with other regional and local economic development partners.

Innovation

The Greater Memphis Region has a history of great innovators and entrepreneurs. From agricultural advances in cotton, to the first modern hotel chain, to overnight shipping, to self-service grocery stores, the region's culture and environment for entrepreneurship has always been fertile. With Governor Haslam's focus on innovation through his INCITE Initiative, the opportunity for innovation, entrepreneurship and commercialization in the region has never been greater. This activity will be made easier by the strong research assets in the region including St. Jude Children's Research Hospital, the University of Memphis and the University of Tennessee Health Science Center as well as the region's strong entrepreneurial partners including Emergence Memphis, BioWorks, MMBC's Center for Emerging Entrepreneurial Development, LaunchMemphis, Seed Hatchery and the FedEx Institute of Technology. Along with the state's \$10 million investment in the Memphis Research Consortium (MRC), these institutions have the ability to develop and help commercialize innovative technologies. Specifically, ECD's regional staff will work to:

Support the ECD-Funded Accelerator: ECD's regional staff along with its innovation partners will support the ECD-funded accelerator and StartUp Tennessee efforts to organize workshops and mini boot camps for emerging businesses and entrepreneurs. ECD's regional staff and other local economic development organizations will especially be helpful in recruiting entrepreneurs, investors, and mentors from outside of Shelby County to participate in these programs.

Support the Memphis Research Consortium: ECD's Regional Director will continue to serve on the MRC board and Executive Committee. MRC's focus on researcher recruitment, workforce development and entrepreneurship at the The University of

Memphis and the The University of Tennessee Health Science Center has the ability to bring science in Memphis to the next level. By serving on the Executive Committee of the Consortium, ECD's Regional Director will be able to help ensure that MRC maximizes this unique opportunity and leverages the strengths of St. Jude Children's Research Hospital and the medical device industry.

Hold a Regional Investor Showcase: Building on successful investor showcases in Shelby County in early 2011, ECD's regional staff will partner with the ECD-funded accelerator to develop an investor showcase for startup companies and technologies from around the entire region. This investor showcase will include entrepreneurs and early-stage businesses from both inside and outside of Shelby County.

Identify Urban Market Opportunities: Memphis presents a unique urban environment that may be well-suited to the type of business services approach that ECD is also deploying in certain rural communities. The ECD team will focus on urban growth opportunities, identifying new opportunities in this key area.

Identify Agribusiness Innovation: Fayette, Lauderdale, and Tipton counties all have significant agricultural assets that could be used to leverage agricultural innovation. ECD's regional staff will work with well-respected AgBio companies and farmer networks to identify rural entrepreneurial development opportunities. ECD's regional staff will then connect these opportunities with the region's ECD-funded accelerator.

Workforce Development

All of the region's economic and workforce development partners understand that having a highly qualified workforce is critical to success in today's economy. In the short-term, ECD's regional staff will work with state and local economic and workforce development organizations to enhance the alignment between the region's training and education programs and the workforce development needs of the region's employers. Specifically, ECD's regional staff will pursue several strategies:

Key Employer Needs Analysis: ECD's regional staff will utilize existing business visits to identify commonly held open positions that are difficult to fill. ECD regional staff will work with its

workforce development partners to identify strategies for filling these vacant positions.

Develop Industry-Specific Training Programs: ECD's regional staff, the Tennessee Department of Labor and Workforce Development, the local workforce investment boards and the region's higher education institutions will explore the creation of industry-specific training programs. These programs could be modeled on programs such as the Chemical Engineering Technology Facility at Austin Peay State University, a partnership between Hemlock Semiconductor and the University. One potential opportunity in the Greater Memphis Region is partnering with the regional coalition working to develop a rapid-prototyping machinist lab to develop a program for training qualified machinists for the medical device industry. ECD's regional staff will attempt to help establish two such industry-specific training partnerships by the end of 2012.

ACTION ITEMS

Action Item #1: Develop a system for monitoring and ensuring the progress of key regional infrastructure projects.

Continuing to upgrade infrastructure is critical to maintaining the region's advantage as one of the world's best distribution hubs. Multiple ongoing build-outs of intermodal terminals, airports, megasites and federal interstates are currently occurring that will impact the region for decades to come. ECD's regional staff will work with its local economic development partners to develop a system for tracking the region's key infrastructure projects on a monthly basis. ECD's regional staff will then convene private sector leaders as well as federal, state and local elected officials to discuss progress on these key infrastructure projects on an as needed basis. The region's first monthly report will be completed by end of Q4 2012.

Action Item #2: Match currently unemployed workers with currently available jobs.

Many partners in the region believe there are a large number of job openings in the region that could be filled by unemployed individuals if only these individuals were made aware of these job openings. To meet this need, one of the region's workforce investment boards has recently developed WINRECRUITS.com, a database of available employees in the region. As part of its existing business outreach efforts, ECD's regional staff along with the region's workforce investment boards and the Tennessee Department of Labor and Workforce Development will meet with employers in the region with the highest number of vacant positions to develop an inventory of the region's vacant positions. ECD's regional staff and the local workforce investment boards will then cross-reference the skills of individuals in the WINRECRUITS.com database against the skills needed to fill these vacant positions. After potential matches are identified, these partners will systematically connect potential employees with potential employers and vice versa. Particular emphasis will be placed on inner city employment opportunities by ECD staff.

Action Item #3: Partner with the region's ECD-funded accelerator and other innovation partners to ensure

the region's entrepreneurial programs are available to entrepreneurs, mentors and investors throughout the region, with particular emphasis on urban and rural markets.

Although most of the innovation activities in the region are currently occurring inside Shelby County, most partners believe there is an opportunity to expand these activities into the larger region. To assist with this effort, ECD's regional staff will help the ECD-funded accelerator and other innovation partners connect with key economic development partners in Fayette, Lauderdale and Tipton counties. Specifically, ECD's regional staff will help recruit entrepreneurs, mentors and investors from outside of Shelby County to get engaged with the regional accelerator and with innovation organizations in Shelby County including EmergeMemphis, Launch Memphis, BioWorks and Seed Hatchery.

Action Item #4: Create a collaborative environment between the region's economic development partners both inside and outside of Shelby County.

Incredible progress towards greater collaboration has been made in recent years in Shelby County with the launch of EDGE and the Memphis Shelby Growth Alliance, two efforts focused on unifying various economic development organizations within Shelby County. ECD's regional staff will participate in these collaborative efforts as well as work to connect these organizations with other economic development efforts in the larger region. This will in part be accomplished through ECD's regional staff holding monthly meetings with economic development partners from the entire region.

GREATER MEMPHIS TENNESSEE REGIONAL PARTNERS

- alt. Consulting
- Black Business Association of Memphis
- Connected Tennessee
- Downtown Memphis Commission
- Local Chambers of Commerce
- Local Utility Districts
- Memphis Airport Area Development Corporation
- Memphis Depot Business Park
- Memphis Light, Gas and Water Division
- Memphis/Shelby County Office of Economic Development
- Mid-South Minority Business Council Consortium
- Mid South Quality Productivity Center
- Millington Tennessee Industrial Development
- Seedco
- Society for Technical Communication, Memphis Chapter
- Southwest Tennessee Community College
- Startup Tennessee
- Tennessee Career Centers
- Tennessee Small Business Development Center
- Tennessee Valley Authority
- Tennessee Department of Agriculture
- Tennessee Department of Economic and Community Development
- Tennessee Department of Environment and Conservation
- Tennessee Department of Labor and Workforce Development
- Tennessee Department of Tourist Development
- Tennessee Department of Transportation
- Tennessee Technology Centers
- University of Tennessee Municipal Technical Advisory Service
- University of Tennessee County Technical Assistance Service
- U.S. Department of Agriculture Rural Development
- U.S. Department of Agriculture Rural Development
- U.S. Economic Development Agency
- U.S. Small Business Administration
- University of Tennessee Center for Industrial Services
- Workforce Investment Network

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